

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7820

BILL NUMBER: HB 1766

DATE PREPARED: Mar 15, 1999

BILL AMENDED: Feb 18, 1999

SUBJECT: Misdemeanant funds; custody of misdemeanants.

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FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a county misdemeanor fund in each county. It specifies funding options and provides a formula for the distribution of money to each county for deposit in the county misdemeanor fund. It repeals provisions requiring: (1) the Department of Correction to pay a per diem to counties for misdemeanants sentenced to the Department, but confined in a county jail; (2) a county legislative body to establish a county corrections fund; and (3) a county legislative body to make an election concerning the level of funding that the county will receive from the state for local correctional facilities. It also makes other related changes.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) Two provisions in this bill will impact state expenditures: (A) All counties would be required to participate in a DOC misdemeanor funding program based on one of three possible funding options. (B) The bill eliminates DOC per diem payments to county jails that are housing misdemeanants sentenced to DOC facilities.

(A) Funding to be provided to counties for housing misdemeanants is specified in this bill as "the greatest of the following:" (1) an undetermined appropriation (to be divided among counties based on each county's funding multiplier); (2) the total amount established for all counties within this bill of \$2.77 M; or (3) the current FY 1999 funding figure of \$2.3 M. No appropriation is made in this bill. Ultimately, the source of funds specified by this bill will depend upon legislative action.

(B) This bill eliminates DOC payments to all counties for housing those misdemeanants who have been committed to DOC, but are residing in county jails. As of December 14, 1998, these included 188 misdemeanants. The DOC pays counties a per diem of \$35 for up to 180 days to house these misdemeanants. Based on an average daily jail population of 150 to 200 misdemeanants, DOC could save between \$0.9 M. to \$1.3 M. annually. (The per diem cost for county jail misdemeanants, specified here, is part of the estimated

\$14 M paid to county jails in FY 1999 for housing all state offenders. There are about 1,500 felons currently housed in county jails awaiting DOC placement.)

Based on the specified funding level of \$2.77 M. (which is \$470,000 more than current funding of \$2.3 M.) and an estimated reduction in misdemeanor expenditures of \$1.1 M, the state would save about \$630,000 annually under the provisions of this bill.

Explanation of State Revenues:

Explanation of Local Expenditures: Counties are currently reimbursed \$35 per diem by the DOC for the cost of housing misdemeanor offenders in county jails. The average daily cost of housing offenders in county jails is \$44. Under this bill, counties would no longer be reimbursed. This measure may particularly effect counties that have historically sentenced many misdemeanants to the DOC (e.g., Elkhart and Madison counties accounted for 72% of the 156 misdemeanants committed to DOC as calculated in September, 1996).

Explanation of Local Revenues:

State Agencies Affected: Department of Correction

Local Agencies Affected: County jails.

Information Sources: Planning Division, Department of Correction; Indiana Sheriffs Association.